GOVERNMENT PURCHASE CARD (GPC) TRAINING

Micro-Purchase

What is the GPC Card?

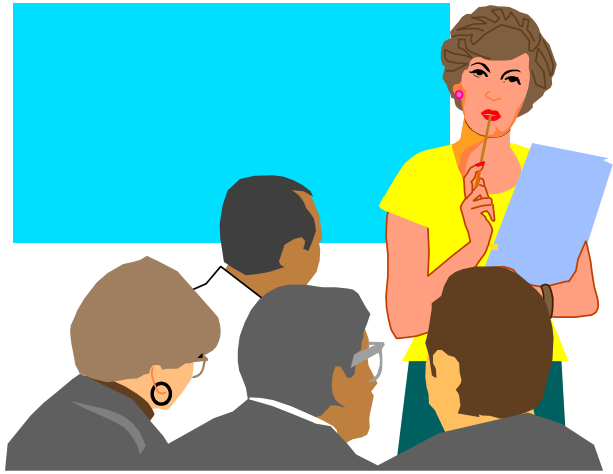
GPC=Government purchase card

- Commercial credit card (VISA)
- Easily Identifiable as Government Card
- Issued to a specific cardholder-NOT for use by anyone else in the unit
- Do not confuse with the Government Travel Card

BENEFITS OF GPC PROGRAM

- Streamlines the small purchase process
- Streamlines payment procedures
- Empowers the Unit/Agency to handle their funds and make purchases as needed

TRAINING REQUIREMENTS



Required Training Includes:

- Credit Card Procedures
- Ethics Training
- Financial Procedures

Other Mandatory Training:

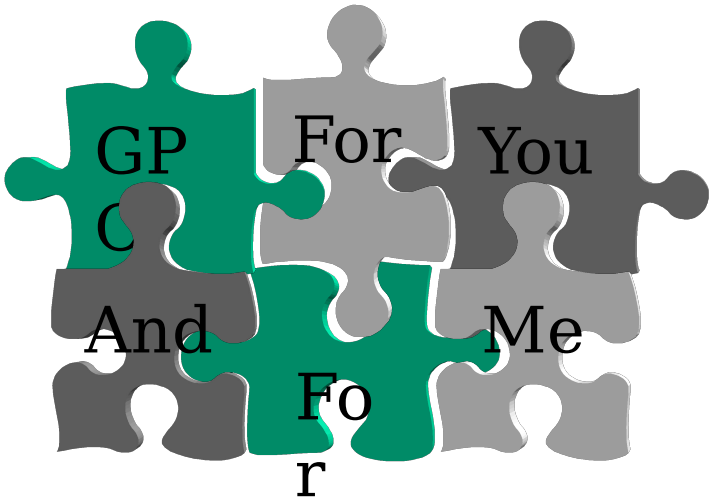
- DAU Course On Line

Training required for both cardholder and B/O

Training required for both cardholder and B/O

DISADVANTAGES OF THE GPC PROGRAM

- Lack of acceptance by local vendors
- Administrative burden to cardholders and the RCO
- Payment problems can suspend the account
- Surveillance of accounts



Agency Program Coordinator

RCO Representative Responsible for:

- *Training*
- *Card Issuance*
- *Issue of Delegation of Authority*
- *Reporting Requirements*
- *Surveillance*
- *Liaison between the Bank & Using Activity*

QUALITY CONTROLS MEASURES

Single Purchase Limit $2500

- Authority Delegated by Chief, RCO

Monthly Cardholder Limit

- Limited Imposed by Approving Official/RM

Office Limit (Billing Official)

- Limit Imposed by Billing Official/RM
- Equals Sum of Monthly CH Limits

MAT (Merchant Category) Codes Single

MERCHANT CATEGORY CODE TABLE

A - Airlines, Airports
B - Vehicle Rental, Dealers, Service, Gasoline, Parts, Towing
C - Hotel, Motel
D - Misc. Transportation (RR, Taxi, Ambulance, Bus, Courier)
E - Telephone, Telegraph, Cable Services & Equipment, Utilities
F - Telemarketing Travel-Related Arrangement Services
G - Mail Order Houses, Subscription/Continuity Merchant
H - Food/Dairy Stores, Drug/Liquor Stores
I - Caterers, Restaurants, Bars
J - Discount/Department/Variety Stores, Duty Free Stores
K - Misc. & Specialty Retail Stores
L - Contractors
M - Camps, Camp Sites, Amusement & Recreational Services
N - Misc. Personal Services
O - Misc. Business Services
P - Medical Services
Q - Schools, Educational Svc, & Day Care
R - Membership Organizations, Charitable & Social Organizations
S - Fuel (Fuel Dealers - Fuel Oil, Wood, Coal, Liquefied Petroleum
T - Postage
U - Government to Government Sales

USES OF GPC IN USAREUR

FOR PURCHASE OF SUPPLIES AND SERVICES

- Over the Counter
- Telephonic / Faxed Orders
- Internet Order (must be secure https:// site)
- <$2,000 for Minor Construction and Repairs
  (NOTE: MUST HAVE DPW APPROVAL FIRST)
- CONUS, LOCAL VENDORS, AAFES (-10%)

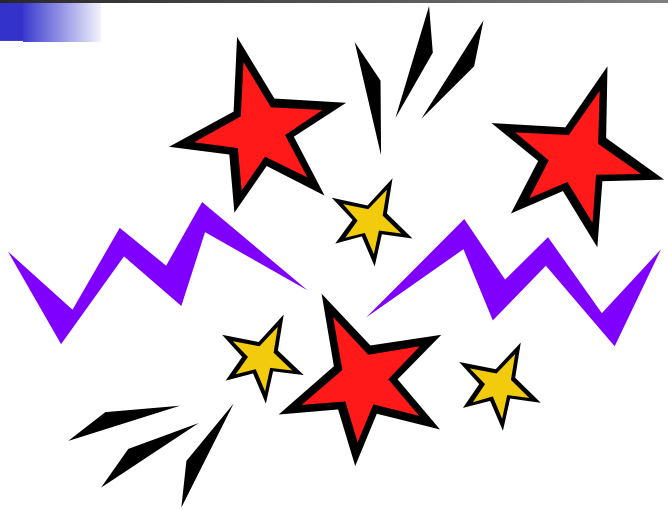
CONDITIONS FOR USE

- Valid Government Mission-Related Requirement
- Funding Must Be in Place Prior to Purchase
- Must have all required approvals

- Single Purchase Limit <$2,500
- Purchases must be Tax Exempt
- "Fair and Reasonable Price"
- **No Split purchases**

NO EXCEPTIONS!!!!

SPLITTING REQUIREMENTS



WHAT IS A “SPLIT”?

- Requirement is over $2,500
- Split it into separate purchases to stay under $2,500

WHY??? The **INTENT** is to keep the purchase within the cardholder single purchase threshold for the purpose of **MAINTAINING CONTROL OF THE BUY**.

SPLITTING REQUIREMENTS

Requirement: “the known needs of an organization/activity by the cardholder at the time of the purchase.”

(DA Memorandum from the Office of the Assistance Secretary of the Army, Research Development and Acquisition)

MANDATORY SOURCES

- Agency Inventories
- Excess from Other Agencies
- Federal Prison Industries (UNICOR)
- Industries for the Blind and Severely Disabled (NIB/NISH)
- Wholesale supply sources such as stock programs of the General Services Administration (GSA)
- Mandatory Federal Supply Schedules
- Optional use Federal Supply Schedules

- If not Available from the Above Sources, then Purchase on Open Market.

PURCHASE PROCEDURES

- Competition not required for purchases <$2,500 (but recommended)
- Rotate purchases among qualified vendors

- Telephonic orders require a log record
- Recurring service requirements should be coordinated with the RCO--possible IDIQ contract

TELEPHONE ORDERS

Telephone Log Required

- Vendor Name
- Date
- Description of Items Purchased
- Each Item Price
- Total Price
- Shipping Date (if available)

Copy of Confirmation for File

CONVERSION FROM EURO

Remember*:*

The Bank uses the daily exchange rate;
The dollar amount on your spreadsheet (obligated) and in CARE will be different;
The Euro budget rate usually changes each FY;
When in doubt, call the finance office or the RCO.
Euro Budget Rate for FY04: $1 = 1.0314 Euro

GPC SPREADSHEET

Spreadsheet Example:

GPC Beginning Balance:	$15,000.00				
Purchase:	Store:	Euro:	Obligated	Remaining	Date
Office Supplies	AAFES Office Source		$234.50	$14,765.50	15-Oct-01
Printer	BEMA	175.00	$141.99	$14,623.51	27-Oct-01
Tools	Piccolin	235.40	$190.99	$14,432.52	31-Oct-01

FILE DOCUMENTATION

The enclosed documentation must be maintained in your records:

- Funding: Either a PR&C or an informal memo
- Approval of Authorizing/Billing Official (required to authorize the purchase)
- Administrative Approvals (i.e. IT/IMAR, DPW, etc.)
- Sales Receipt/Receipt Confirmation
- GPC Spreadsheet (tracking expenditure of funds)
- Vendor Quotes (if obtained)

Note: AR 25-400-2 requires files to be maintained for 3 years.

SPECIAL REQUIREMENTS

Does Purchase Fall into One of These Categories?

Property Accountability
Information Technology Equipment
Audio/Visual Equipment
Repair IT Equipment
Repair/Change Property
  Copiers
  Rental of Vehicles (Europcar)

Required Approvals MUST be on File…

UNAUTHORIZED USES FOR GPC

GPC WILL NOT BE USED FOR:

- Cash Advances
- Lease or Rental of Land or Buildings
- Telecommunications Services
- Travel related purchases that should be covered by the travel card
- Food/Subsistence (unless an approved fund citation)
- Fuel
- Repair of leased or GSA Vehicles
- Gifts/mementoes (going-away plaques, mugs, shirts, hats, etc)
- Construction over $2,000
- Wire Transfers, Savings Bonds, Foreign Currency, Dating & Escort Services, Casinos or Off-Track Betting, Transactions with Political Organizations, Court Costs, Alimony, Child Support, Fines, Bail and Bond Payments, Tax Payments, and Untreated Wood.

ITEMS REQUIRING PRE-PURCHASE APPROVAL

You must seek and receive approval from the appropriate source BEFORE purchasing the following:

- Printing: FAR 8.802 prohibits directly contacting commercial sources. DAPS is the mandatory source for all printing/reproduction srvs.
- Hazardous Material
- Advertising
- Audio/Visual Equipment: TSC approval
- Food
- Personal Purchases: CHs are prohibited from purchasing items for personal convenience, refridgerators, handheld/portable electronic devices, clothing and seasonal decorations. (See exception)
- Bottled Water/Services: exception, water is deemed unpotable by DPW
- Business Cards (purchasing the cards)
- Trophies, Awards, Plaques and Mementoes as Give Away Items for Hail & Farewells, etc. Exception: limited use in support of employee recognition programs or by recruiters if accomplished within an approved award program.

ITEMS REQUIRING PRE-PURCHASE APPROVAL

Vehicle Leasing

- You cannot use the GPC to lease vehicles for TDY (use your Travel Card)
- Try to save money: check with Transportation to see if a Government Vehicle is available

PENALTY for MISUSE OF CARD

Initial Misuse:

- CH/BO purchase authority reduced to $0
- CH/BO must complete Remedial Training
- Letter of Counseling to Removal
- HCA/PARC sends letter to BO, CH and Unit Commander
- Disciplinary Action could result in individuals being held liable for costs.
- **Subsequent Misuse**
- From 5-day Suspension to Removal ranging to 30-day Suspension to Removal

  GPC privileges will be revoked; Imprisonment or $10K personal fine (or both)

PENALTY for MISUSE OF CARD

Military Remedies (UCMJ):

- False Claims: 18 USC 287
- Conspiracy to Defraud: 18 USC 371
- Theft; Embezzlement: 18 USC 641
- Anti-Kickback Act: 41 USC 51, et seq.

DEPARTMENT OF DEFENSE

GPC VISIBILITY

Billing Official Responsibilities

- **ALL accounts must have a primary and alternate**

- **Before Purchase:**
  Ascertains that funding is available
  Approves purchase in writing
  Adequate documentation for each transaction

- **End of Billing Cycle**
  Certifies Account in CARE EDI within five days of end of billing cycle (23rd of the month);
  Approve cardholder purchases & statement during their ABSENCE!
  Establish accountability records with PBO
  Retains Documentation for 3 years

Billing Official Responsibilities

Billing Official certifies that purchases:

- Are correct, documented and were required to fulfill immediate mission requirements of the organization
- Do not exceed spending limits approved by the Resource Manager
- Are not for own personal use or the personal use of the receiving individual
- Are not for items that have been specifically prohibited by my organization or by statute
- Have not been split into smaller segments to stay under the micro purchase limit ($2,500)

US BANK CARE

What is CARE EDI?

- US Bank database of all purchases you make
- Allows you see purchases as they arrive at the Bank
- Most importantly: payment can be made electronically immediately at the end of the Billing Cycle instead of waiting for a paper copy to arrive

Logons

- Billing Officials will receive their logon by email from the RCO shortly after application is received.
- Cardholders must register on-line for their logon. You will receive an email from the RCO when your account is set up explaining how to register.

USING CARE EDI

Cardholder Responsibilities

- Use Transaction Log to annotate purchases (this is mandatory)
- Reconcile Transaction Log to Purchases as they appear (this is also mandatory)
- All purchases must be reconciled and the statement approved within 3 working days of the end of the cycle

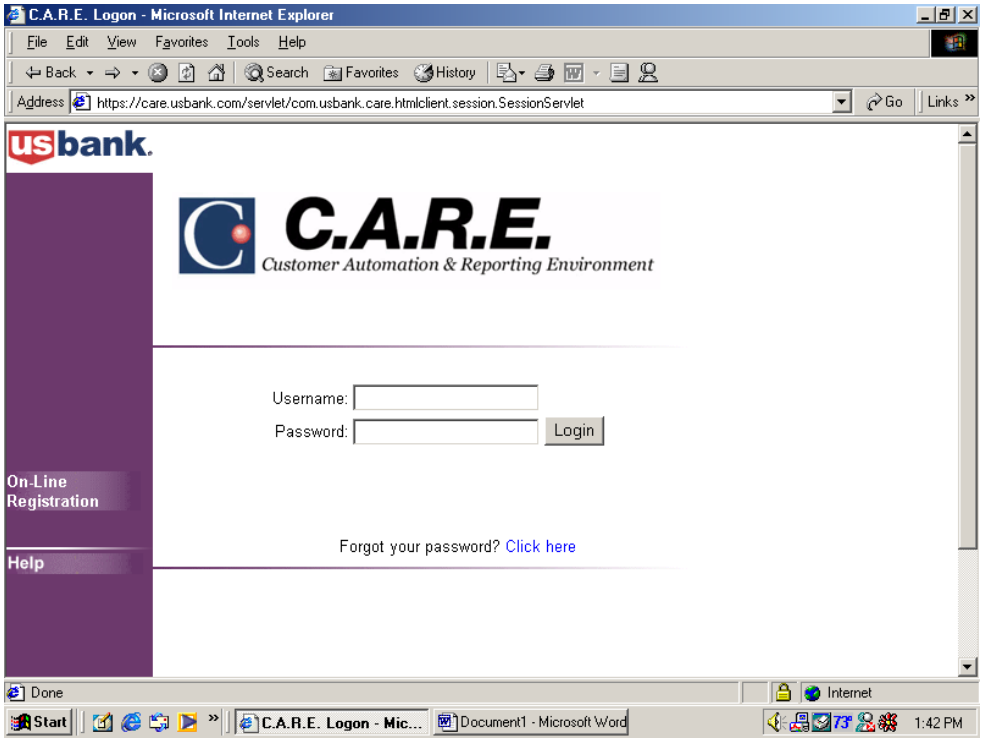
Billing Official Responsibilities

- In the absence of cardholders, BOs must act in behalf of CHs and reconcile each purchase and the statement at the end of the cycle
- BOs must certify the statement within 5 working days of the end of the Billing cycle.

USING CARE EDI

https://care.usbank.com

To login, go to the above site and click on “I ACCEPT”.
You will now be at the login screen.
You must enter your user name and password.

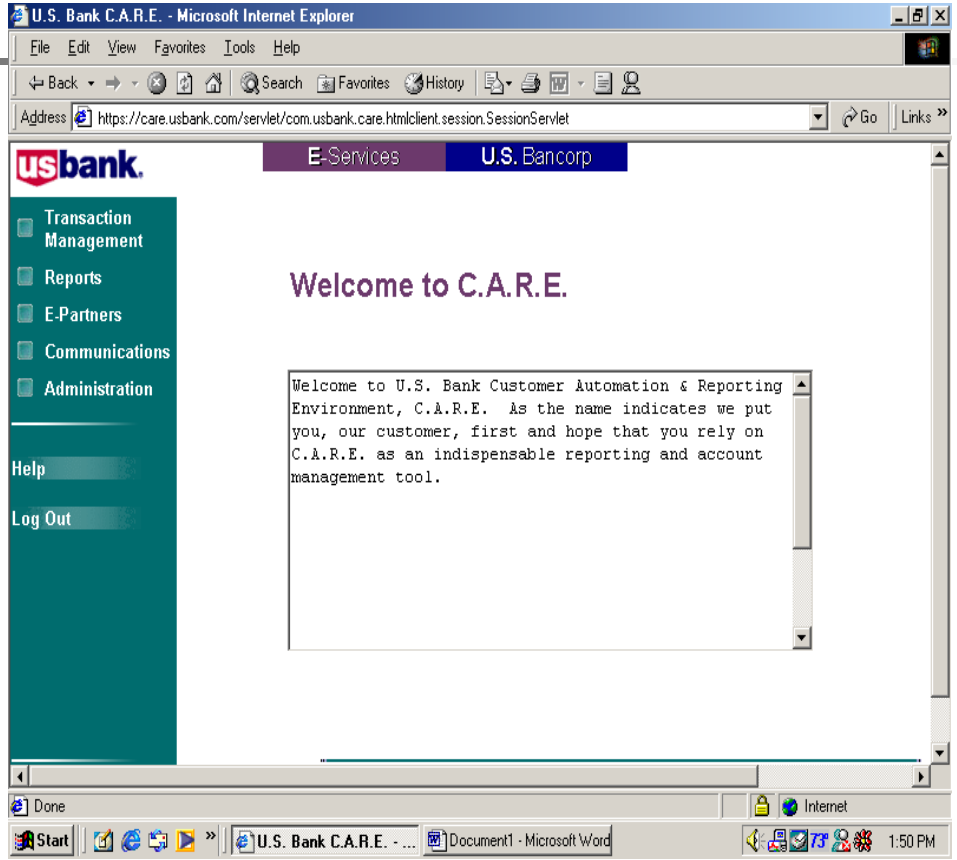


USING CARE EDI

Transaction Management is used to enter your purchases, print your logs, reconcile your accounts and approve your monthly statement.

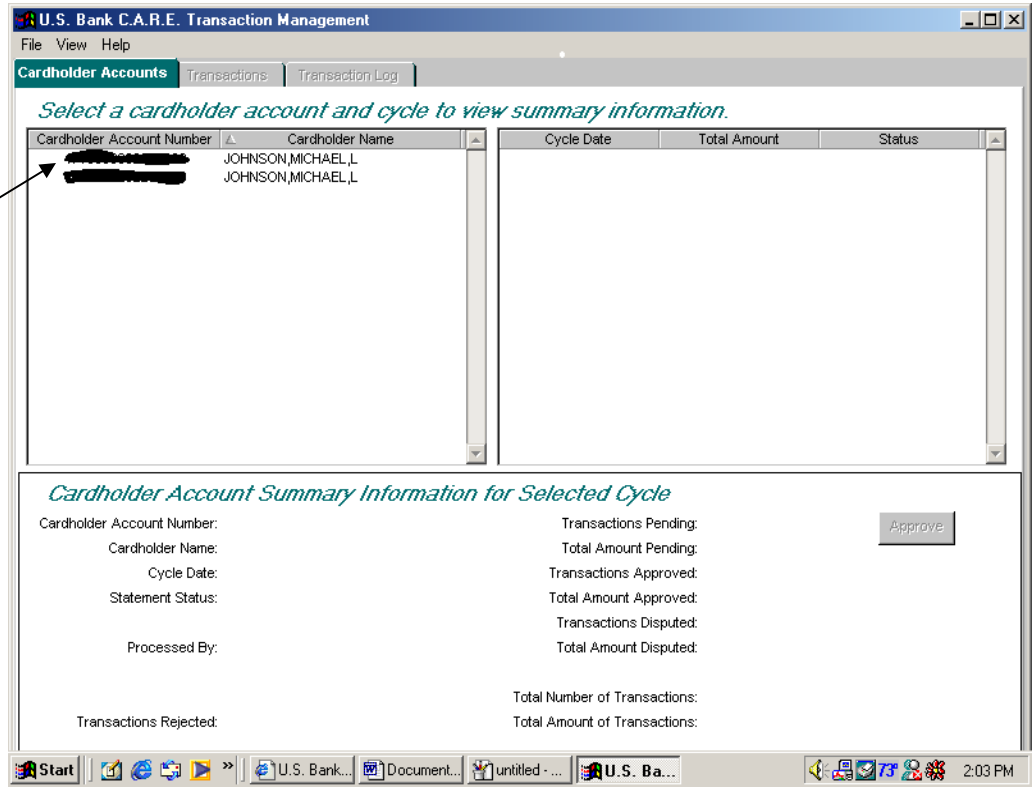
Click on this.

It will take a few moments to load so be patient.



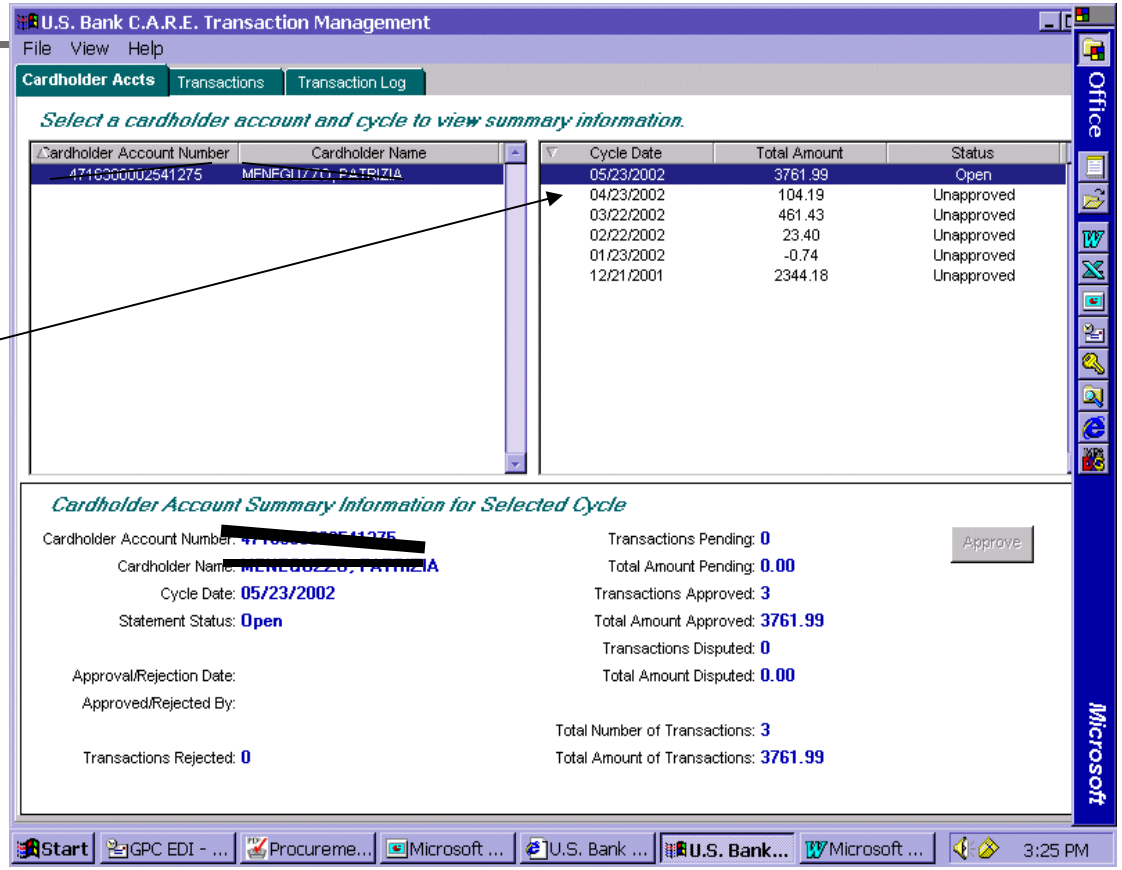
USING CARE EDI

Highlight the account.



USING CARE EDI

Highlight the cycle that you are working in.

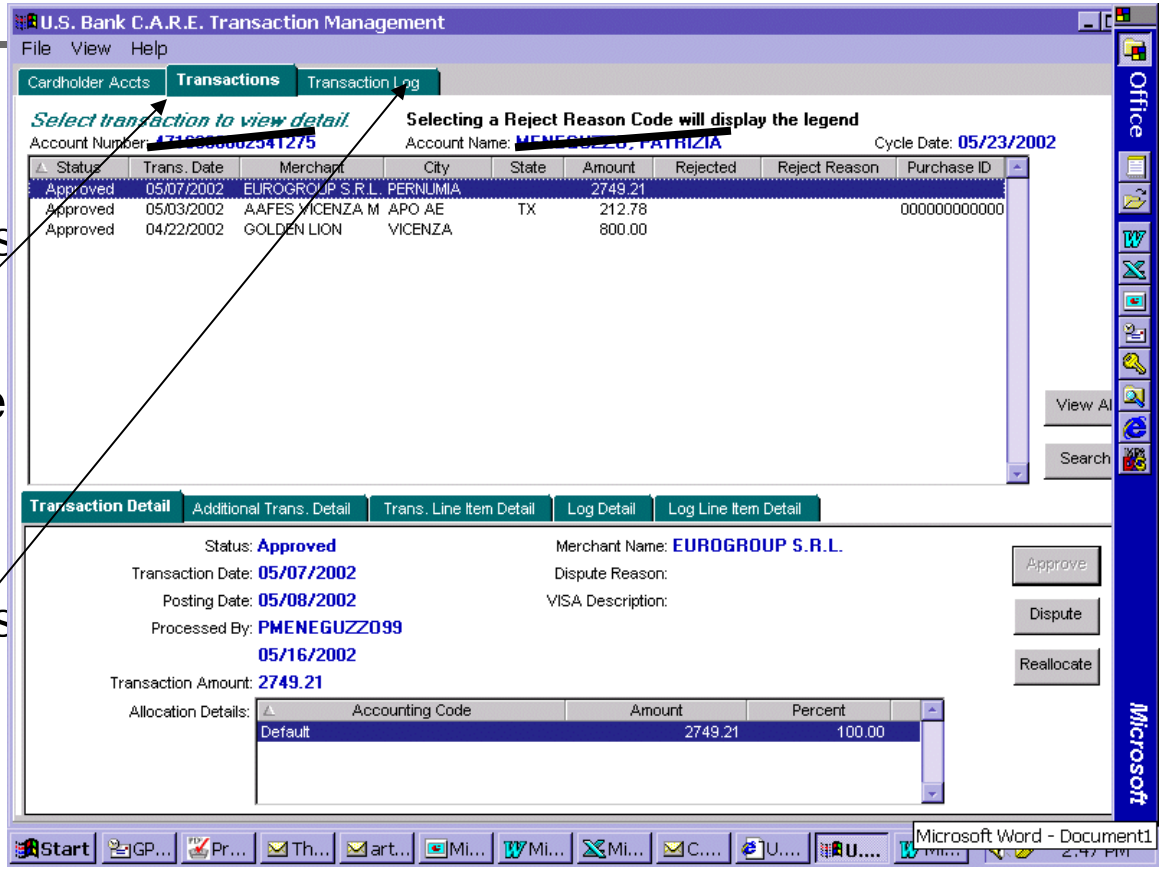


USING CARE EDI

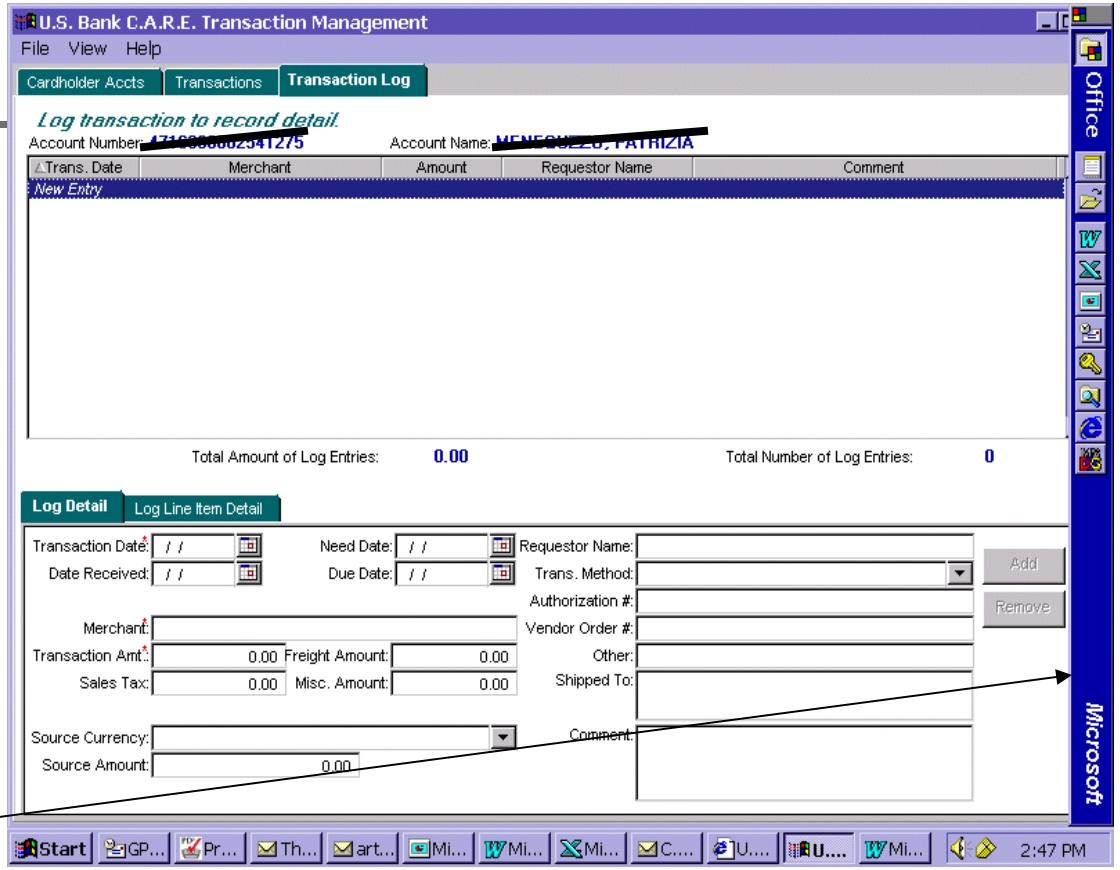
Go to the Transactions Tab

You will see all the purchases you have made in the billing cycle that have posted at the bank.

Go to the Transactions Log Tab



USING CARE EDI



This is where you record your purchases. At the bottom tab—Log Detail you input the information for your purchase. The fields with an asterisk* are mandatory fields.

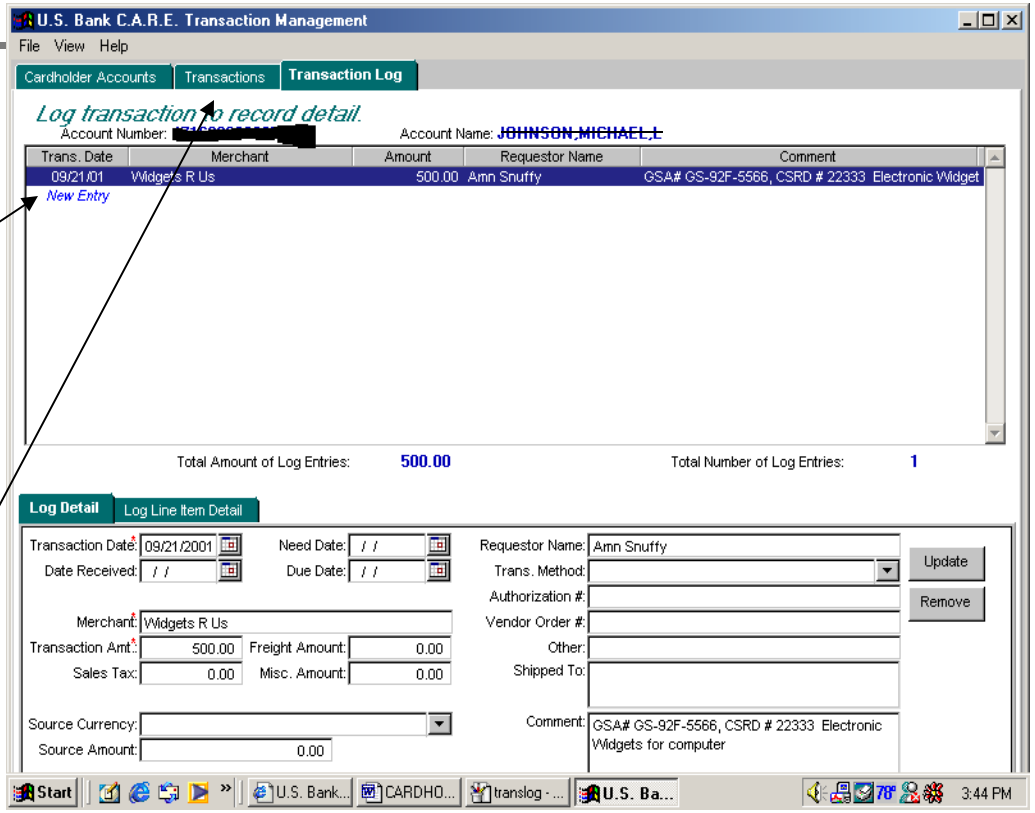
When completed, click the Add button on the right

USING CARE EDI

You will see the entry populated to the list.

The Transaction Log is mandatory and should be done as soon as the purchase is made.

When you have finished, go back to the Transactions Tab

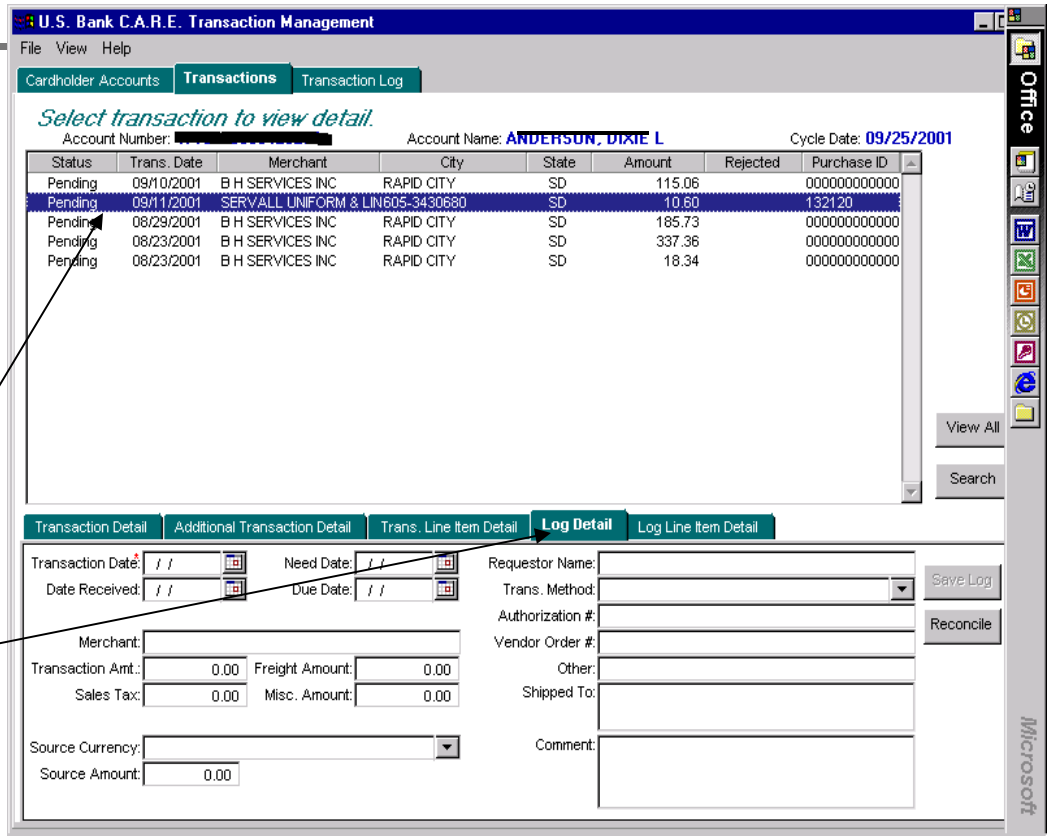


USING CARE EDI

When the purchase you input in the Transaction Log is posted at the bank under Transactions, you can reconcile.

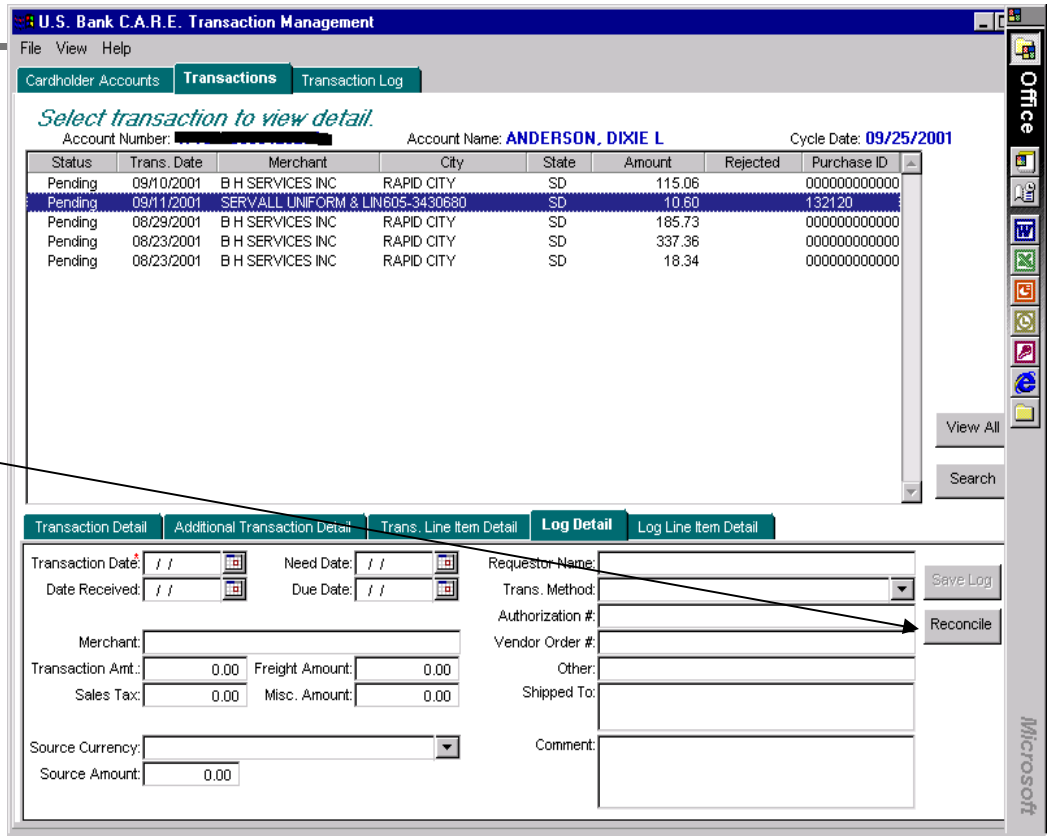
Highlight the purchase you wish to reconcile.

At the bottom section, Tab to Log Detail



USING CARE EDI

Click on the Reconcile button.



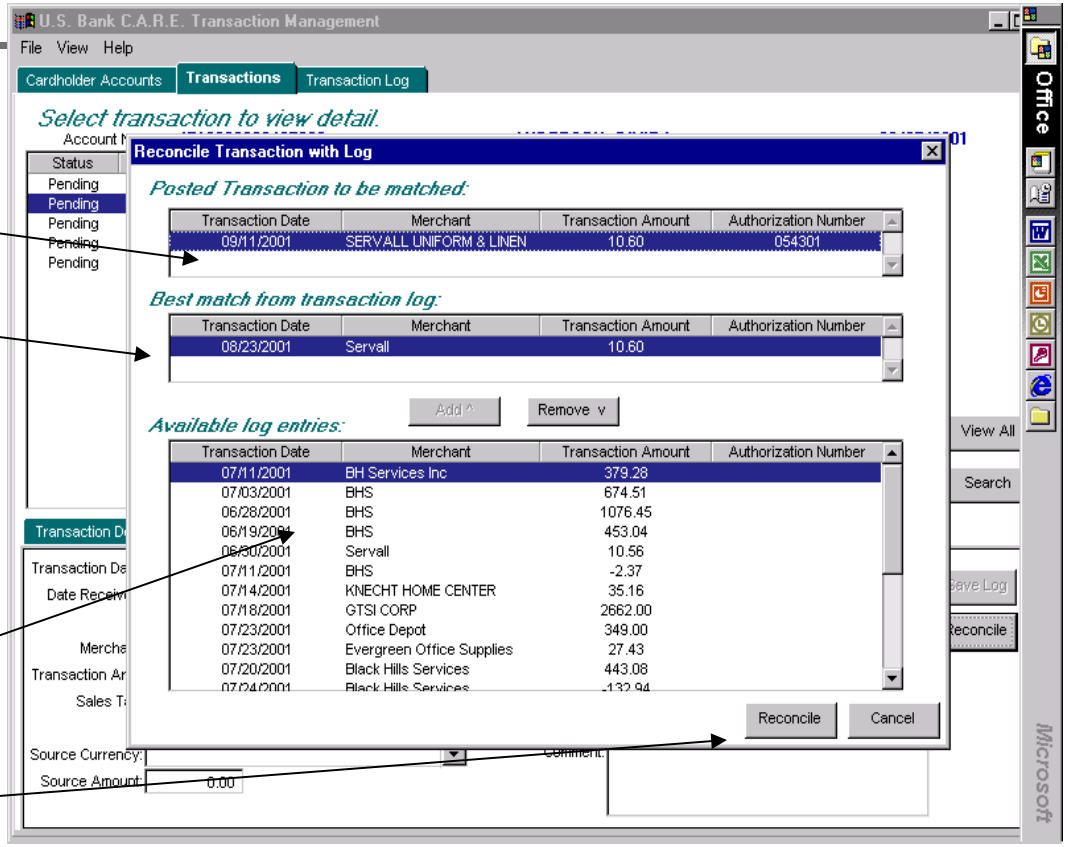
USING CARE EDI

This window opens. There are three sections.
The first is the purchase that you highlighted from Transactions.

The second shows the entry the computer believes to be a "match" for reconciliation. Pay attention and verify that is actually the item from the Transaction Log that matches the purchase.

The third is a list of the items in your Transaction Log.

If the match is correct, you are ready to reconcile, click here.



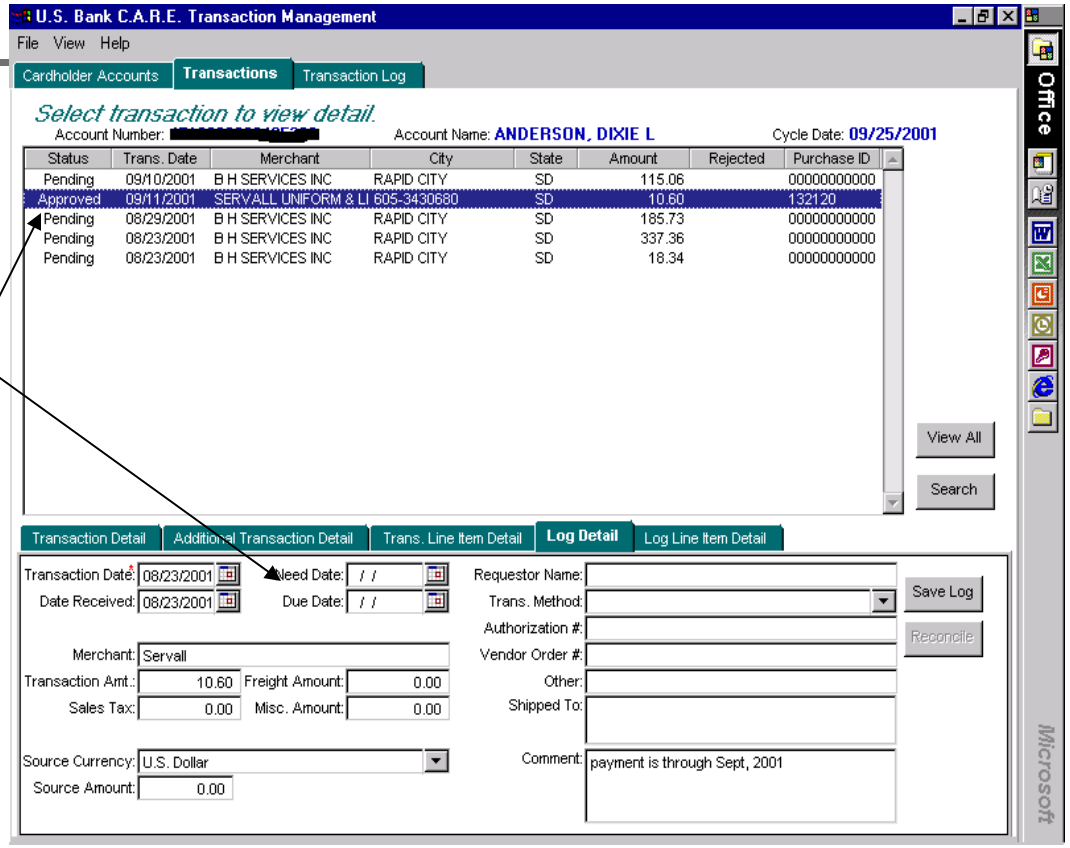
USING CARE EDI

The transaction has now “reconciled” and the item is dropped from your Transaction Log.

As you can see, the information from the Transaction Log that you input has now populated to the Log Detail tab. Look at the status of the purchase. It will change from “pending” to “approved”.

Now that you have verified the data, click on “Save Log” button to complete the action.

You can now continue to reconcile the remaining items on the Transactions tab.

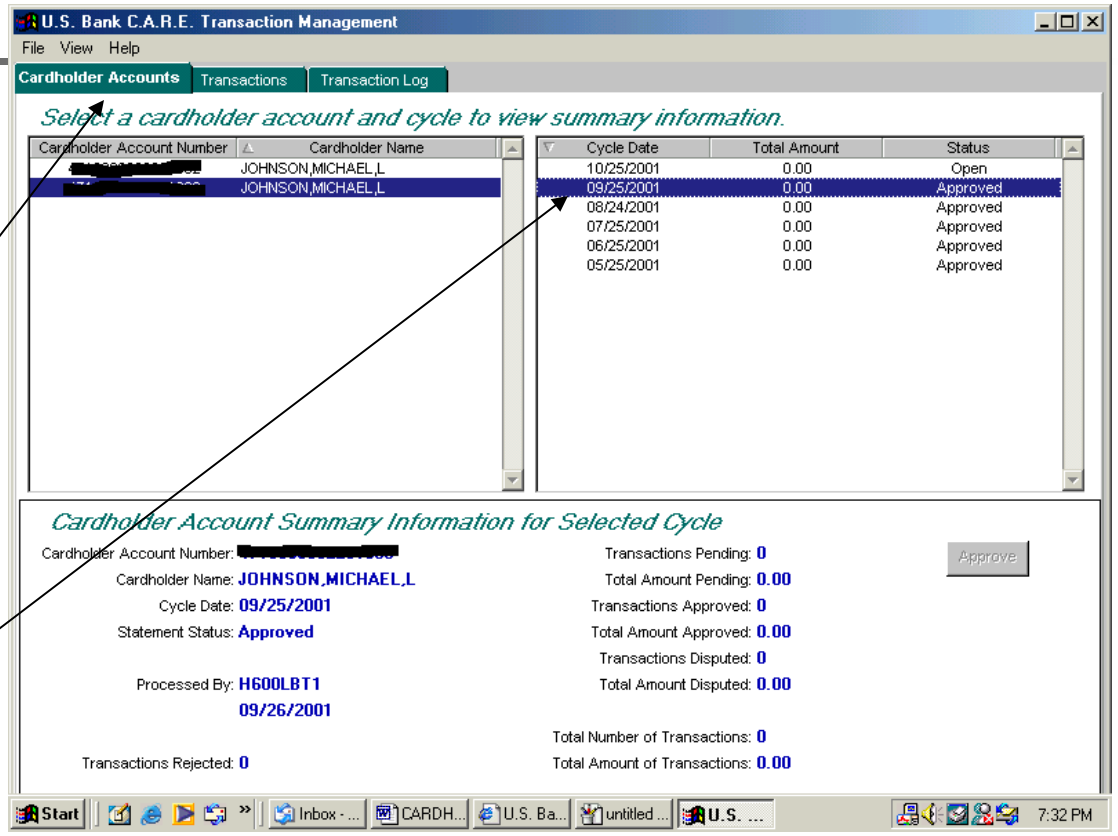


USING CARE EDI

After you have reconciled all your transactions for the billing cycle, you may now proceed to approve your statement (at the end of the billing cycle).

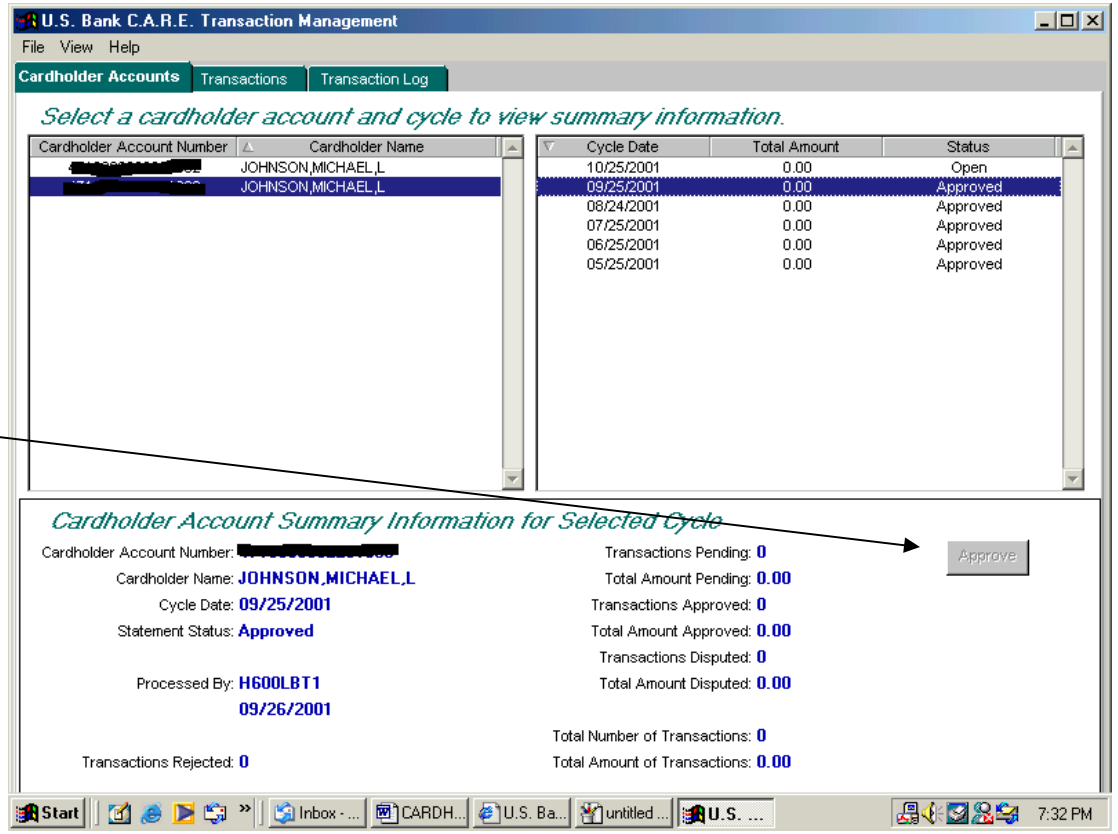
At the first tab, Cardholder Accounts

Highlight the billing cycle you wish to approve



USING CARE EDI

Now you just click the Approve button (which will be grayed out until the end of the billing cycle).



USING CARE EDI

Cardholders must complete those steps for each purchase each month.

Billing Officials simply look at the purchases to assure they are certifiable. Then after the cardholder approves his statement for the billing cycle, the billing official can then certify the statement (under Cardholder Accounts) for payment.

For questions, the RM or Comptroller's Offices will be glad to assist you.

DISPUTED TRANSACTIONS

First Step: The CH will try to resolve discrepancies directly with the Vendor

If this fails…dispute the transaction to the bank

Second Step: Dispute purchase in CARE. B/O utilize the “Pay and Confirm Policy”

SECURITY ISSUES

PCS of Cardholders:

- 60 Days BEFORE PCS of Cardholder, card should be returned to BO.
- The BO should destroy the card and inform the APC (in writing) to close the account.

PCS of Billing Officials:

- Alternate BOs assumed primary role before departure --if there is no BO, master account limits will be **frozen**.
- No Exceptions

SECURITY ISSUES

- Card should only be retained by the CH in a safe place…
- In a field environment take additional measures to safeguard.
- Internet Order (must be secure site ***https***://)

If Lost or Stolen:

- Call the bank "immediately", then notify APC
- Make a report to the MPs
- You will be issued a new card with a new account number

WHERE DO YOU START?

Billing Officials: What do you need to open an account?

- Nomination by Commander
- Training (certificate)
- Completed GPC BO application
- Delegation of Authority to be Certifying Official (signed by Commander & sent to DFAS/FAO)
- Appointment Official signed by Comptroller/Resource Manager

WHERE DO YOU START?

Cardholders: What do you need to open an account?

- Nomination by Commander
- Training (certificate)
- Ethic Training

www.defenselink.mil/dodgc/defense_ethics

- Completed GPC CH application
- BO approval (sign)
- RM approval (Fund citation)
- Delegation of Authority by RCO Chief

IMPORTANT REMINDER

- DO NOT “SPLIT-PURCHASE”
  - $2,000.00 (Minor Construction)
  - $2,500.00 (Supplies/Services)
- Ensure you have Funding (before purchase)
- Use mandatory sources, then OM
- All official purchases are “Tax Exempt”
- All purchases must be “Fair and Reasonable”
- Obtain Special Approvals if needed
- Document your files…immediately!!!

US Army SOP & Other Info

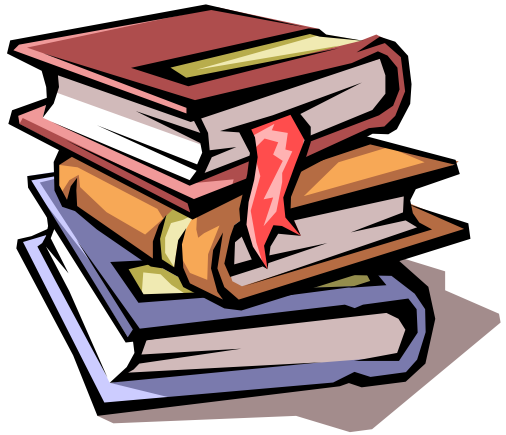
Army SOP for GPC Program:
Under 8 Apr 02
http://purchasecard.saalt.army.mil/news.htm

US Army Contracting Command Europe Guide to the GPC Program
http://www.usacce.army.mil/

Regional Contracting Office, Vicenza Website Info on GPC
http://www.usacce.army.mil/vicenza/impac.htm

Are You Ready?

It’s time for the test!!



SUMMARY SLIDE--QUESTIONS

- What must you have BEFORE making a purchase?
- What documents must be in the purchase file?
- Can you purchase cell phone cards?
- Whose responsibility is it to assure that purchases are added to property book.
- How many days after the billing cycle must the bill be certified for payment?
- What is the dollar limit for minor construction and repairs? Who must I talk to first?
- Is painting considered construction?
- Is it OK to split a requirement if another cardholder purchases part of the items?
- What do you do if the requirement exceeds the $2,500 threshhold?

- DISADVANTAGES OF THE GPC PROGRAM
- TRAINING REQUIREMENTS

SUMMARY SLIDE--QUESTIONS

- There are no mandatory sources—I can purchase wherever I want. True or False?
- What is the regulation that governs purchasing?
- If my travel card is not working, I can just use my GPC card to pay for my TDY rental vehicle. True or False?
- Once I have had GPC training, I don't ever need to refresh that training. True or False?
- If the unit cardholder is on emergency leave and the unit has an urgent need for something, someone else in the unit could just use his card this one time. True or False?
- What controls are used to make certain you are not abusing the GPC?

GOVERNMENT PURCHASE CARD TRAINING

QUESTIONS OR CONCERNS

GOVERNMENT PURCHASE CARD TRAINING

Congratulations

Make certain you receive your certificate.